

STATE AND CONSUMER SERVICES

As currently structured, the State and Consumer Services Agency's mission is to help educate consumers and make government more efficient, effective, and accountable for all California taxpayers. Among its many responsibilities, the Agency licenses more than 2.7 million Californians in more than 250 different professions, procures more than \$7.9 billion in goods and services, and oversees the Franchise Tax Board.

The Budget includes total funding of \$36.3 billion (\$689.1 million General Fund) for the Agency.

DEPARTMENT OF GENERAL SERVICES

The Department of General Services (DGS) provides centralized services and oversight activities to state agencies over a broad spectrum of areas, including: management of state-owned and leased real estate, maintenance of state-owned buildings, approval of architectural designs for local schools and other state-owned buildings, a quasi-judicial court that hears administrative disputes, publishing services, management of the state's fleet, and procurement of commodities, services, and equipment. These activities are largely funded through fees that are charged to the client departments.

CURRENT EFFICIENCY EFFORTS UNDERWAY

Since the economic downturn, expenditure reductions have limited departments' ability to pay for goods and services. Consequently, it is essential for service entities such as DGS to implement efficiencies to reduce client departments' costs. Efforts to identify

efficiencies and better business practices are underway and should result in either cost avoidance or savings for departments. Efforts include:

- Renegotiating nearly 300 departmental leases to reduce lease costs.
- Reducing costs for servicing office equipment by initiating a new equipment maintenance and management insurance program that will replace the multiple service contracts currently used by individual departments.
- Reducing travel arrangement costs for state employees by renegotiating statewide travel services contracts.
- Negotiating with a major airline carrier in an effort to provide air transportation at a cost less than the current discounted rates that are available to employees traveling on state business.
- Examining warehouse utilization to determine opportunities for consolidation, eliminating unnecessary materials, and reducing warehouse space.
- Closing three state garages that are no longer cost effective in comparison to the negotiated commercial rental car company rates.

Proposal to Balance the Budget:

- State Capitol Repairs—A one-time decrease of \$2.7 million in 2012-13 as a result of delaying less-critical repairs to the mechanical systems and other infrastructure repairs until future years.

Other Significant Adjustment:

- Unallocated Reduction—A decrease of \$59.1 million as a result of budgetary savings and rate reductions that will occur as a result of operational efficiencies.